INTELLIGENCE MEMORANDUM

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CENTRAL INTELLIGENCE AGENCY

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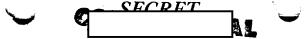
IN FAR EAST

I. EARLY STAGES OF IMPLEMENTATION OF KOREAN ARMISTICE

- A. Main provisions of armistice agreement, signed 1000 27 July:
 - 1. Cessation of hostilities within 12 hours:
 - Withdrawal of troops 1½ miles from demarcation line, to establish demilitarized zone, within 72 hours;
 - 3. UN Command withdrawal from North Korean coastal islands and waters within 10 days;
 - 4. Freeze at current levels of troops and equipment;
 - 5. Operation of military armistice commission to supervise truce and settle violations; observer teams to police demilitarized zone and Han estuary;
 - 6. Operation of Neutral Nations Supervisory Committee; officers from
 Sweden, Switzerland, Poland, Czechoslovakia, with 20 inspection teams,
 one to be stationed at each of ten
 ports of entry and ten held in reserve, which will oversee all troop
 and equipment movement through ports;
 - 7. Repatriation of prisoners of war desiring to return, within 60 days;
 - 8. Turnover of anti-repatriation prisoners to Neutral Nations Repatriation Commission, within 60 days.
 - 9. Convening of political conference, within 90 days.



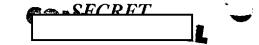
- B. UN assurances to Communists regarding truce implementation:
 - 1. South Korea will cooperate in implementing the truce. Specifically:
 - 2. No more anti-repatriation prisoners will be released prior to their turnover to the repatriation commission;
 - 3. ROK forces will observe the cease-fire and withdraw from the demilitarized zone on schedule;
 - 4. The safety and ability to function of neutral nations personnel required to operate in South Korea are guaranteed;
 - 5. Either side may take necessary military action to resist truce violations by the other;
 - 6. The UN Command will not support South Korean forces morally or materially in violating a truce, and will maintain the armistice in the event of violation by ROK forces. although the UN Command will not use armed forces against ROK troops;
 - 7. There is no time limit on the armistice.
- C. South Korean attitude toward truce:
 - 1. Rhee's 27 July statement, "I have opposed signing of truce . . . (but) we shall not disturb armistice while political conference undertakes within limited time to solve peacefully problem of liberation and reunification of Korea."
 - 2. ROK expected to cooperate in observing cease-fire and withdrawing from demilitarized zone.



- 3. Actions open to Rhee during early stage of implementation: front-line provocation, terrorist action against neutral nations personnel, further prisoner releases, induction of released prisoners into army, harassing action against UN Command.
- 4. Most critical period is after 90 days of political conference (six months from now), as Rhee threatens to leave conference and resume hostilities at that time.
- 5. Rhee continues to seek UN support in resumption of hostilities after 90 days of political conference and a US-ROK security pact guaranteeing immediate assistance in event of Communist attack.

II. POLITICAL CONFERENCE

- A. Preliminary arrangements:
 - 1. Participants:
 - (a) Question of who should be invited from UN:
 - (1) Possibility of limiting invitees to nations having troops in Korea;
 - (2) Possibility of inviting some or all members of Security Council;
 - (3) Possibility of inviting all nations "with interest in Far East."
 - (b) Question of who should be invited from Communist side:
 - (1) Communists may seek to broaden conference into



multipartite Far Eastern conference with Soviet participation;

- (2) Or, if UN side is composed of those with forces in Korea, USSR may stay behind scenes.
- (c) Question of inviting Nationalist China, which some UN members oppose.
- (d) Question of inviting India because of its influence in Asia and its contributions to truce.

2. Agenda:

- (a) Should conference be limited to Korean items?
- (b) Should the "et cetera" of Art. 60 of armistice agreement be interpreted to include China's seat in UN and status of Formosa?
- (c) Should Indochina be linked to a Korean settlement?
- (d) Article 60 of the draft armistice agreement lists the withdrawal of all foreign forces from Korea and the peaceful settlement of the Korean question as issues to be settled at the political conference. In view of previous Communist insistence that foreign forces must be withdrawn before peaceful settlement is discussed, they may insist that the political conference take up these issues in the order in which they appear in Article 60.



(e) Should flexible agenda be adopted, including Korean items first, and expanded in case Communists show willingness to negotiate?

3. Procedure:

(a) Majority vs two-thirds or other voting arrangements? Communists will undoubtedly seek a veto power over conference decisions.

B. Issues at the conference:

1. Possible time limit:

- (a) Rhee has given the political conference 90 days in which to secure the withdrawal of foreign forces from, and the unification of, Korea, after which he has reserved the right to resume the fighting, preferably with US help or, short of that, with US "moral and material support." Moreover, his willingness not to obstruct the armistice until the expiration of 90 days of political discussions does not, in his view, impair his "sovereign right" to prevent "impairment of his survival" or cause him to forego his right to prevent actions or measures which he deems to violate South Korea's sovereignty.
- (b) US position is to discuss the questions of unification and the withdrawal of foreign troops for a period of 90 days. If the Communists are using the conference to infiltrate, propagandize, or otherwise embarrass South Korea, the US would be prepared to withdraw from the conference in concert with South Korea and consult regarding future courses of action, at that time.



- (c) Probable UN pressure to avoid any time limit on grounds complicated problems cannot be solved in 90 days.
- (d) Communist objections to any time limit on discussions.

2. POW's:

- The 8 June POW agreement provides (a) that the fate of POW's who remain unwilling to return after 90 days in neutral custody is to be submitted to the political conference which has 30 days in which to decide the ultimate disposition of such POW's. If the political conference fails to reach a satisfactory settlement after such time, the POW's are to be changed from prisoner status to civilian status. Thereafter, ex-prisoners who choose to go to "neutral nations" are to be assisted to do so by the repatriation commission until its subsequent dissolution.
- (b) Communists may seek to block POW change to civilian status, seek continued detention, limit interpretation of term "neutral nations." May seek return of 27,000 already released unilaterally by ROK.
- (c) South Korea desires all non-Communist POW's released after 90 days and sent to South Korea and Formosa. US agrees as regards North Koreans but believes other anti-Communist POW's should be disposed of in accordance with terms of reference.

3. Unification:

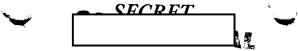
(a) Both sides committed to "peaceful unification," but no indication of substantial area of agreement.



- (b) South Korea will demand unification under ROK with no decision which impairs ROK sovereignty or calls for dissolution of present South Korean government; has placed 90-day time limit on discussions of this matter.
- (c) The Communists have historically proposed that the question of unification be settled by the Koreans themselves, and such proposals have always sought to ensure Communist domination of any unification scheme. The Communists may link unification with such issues as German unification, the withdrawal of US forces from Europe, expansion of East-West trade, the abandonment of UN economic sanctions against Communist China, UN admission of Communist China, and the repudiation of US support for Chiang Kai-shek.
- (d) Some UN members may suggest trusteeship over Korea and may link this to similar arrangement for Formosa.

4. Withdrawal of foreign forces:

- (a) Both sides have called for withdrawal, although neither side has made specific proposals to accomplish this; not clear whether it must precede determination of permanent status for Korea.
- (b) South Korea doubts that withdrawal of foreign forces can be accomplished by negotiation, but has said it would give the UN 90 days to seek withdrawal. It has repeatedly asked the US, "when the political conference fails," immediately and automatically to come to aid in case of renewed external attack or to grant sufficient support to South Korea in a unilateral attempt to eject the invaders from Korea.



- (c) Impossible for UN to enforce withdrawal without imposing military defeat on Communists.
- (d) Likelihood that some Chinese Communist troops will remain to assist in North Korean "economic reconstruction."
- (e) Will the armistice-fixed ceiling on troops be interpreted to prevent promised expansion of ROK army?

III. EFFECT OF KOREAN TRUCE ON OTHER FAR EASTERN PROBLEMS

A. Communist China:

- 1. Political New pressures both from Peiping and from other countries for admission of the Chinese Communist regime to UN, possibly for Peiping's claim to Formosa; no important effect on internal political program.
- 2. Economic No important changes until more lasting arrangement reached by political conference, as Western world is expected to maintain most of its sanctions and most of Chinese Communist armies in Korea and Manchuria must be maintained; major effects of lasting truce would be possible diversion of Soviet military to industrial aid and problem of huge armed forces.
- 3. Military No important change in CCF strength in Korea likely in near future; if political conference arranges troop withdrawal, current CCF strength in both ground and air likely to be maintained in Manchuria and nearby. Rotation of ground armies between Korea and China to continue, some air units to be moved to China.

B. Nationalist China:

1. Has opposed truce due fear political conference would discuss China's seat in UN and status of Formosa.

- Likely increased pressure by states recognizing Peiping to replace Nationalists in UN and neutralize Formosa, perhaps under UN trusteeship.
- 3. Likely increase in CCF strength opposite Formosa, and probable continuation of CCF campaign against offshore islands; however, attempted invasion of Formosa unlikely at least until political means explored in post-truce conference.
- 4. No prospect of early Nationalist operation against mainland except for limited raids.

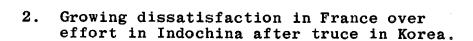
C. Japan:

- 1. Decline in realization of Communist threat and thus in public support for rearming Japan.
- 2. Strengthening of Yoshida government's stand against accelerating defense effort.
- 3. New emphasis on economic rather than military aspects of MSA agreement.
- 4. Intensification of resentment against US bases in Japan, new Communist opportunities for exploitation anti-US sentiment.
- 5. Japanese bid for representation in posttruce political conference.
- 6. Pressure to reduce restrictions on trade with Communist China to COCOM level.
- 7. Moves toward closer economic and political relations with Communist China and the USSR, particularly former.

D. Southeast Asia:

1. Greater aid from Communist China to Viet Minh, and possibly troop support.

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- 3. Peace hints from Viet Minh to disorganize French policy, split France and US.
- 4. Possibility of bona fide peace bid from Viet Minh based on assumption that referendum under neutral auspices would result in Viet Minh political victory.
- 5. Generally increased pressures for trade with Communist China, governmental reluctance to continue restrictions on it -- this particularly true of Indonesia and Malaya.
- 6. Effort by Communist apparatus among overseas Chinese to represent Korean truce as Communist victory.

E. Korea:

- 1. No alteration in long-range objectives of either North Korea or South Korea: Communists determined to retain control over North as base for gaining eventual control over South (and eventually Japan), Rhee equally determined to bring North Korea under his control.
- 2. Shift in Communist tactics from primarily military to primarily political action: increased infiltration, efforts to subvert ROK by encouraging factionalism, capitalizing on economic hardship, promoting distrust of ROK leaders.
- 3. Strengthening of South Korean position by increase in military strength to 20 divisions, by large-scale US economic aid, by conclusion of ROK-US mutual security pact.